



February 16, 2011

Ms. Marlene Dortch  
Secretary  
Federal Communications Commission  
445 12<sup>th</sup> Street, SW  
Room TW-A325  
Washington, D.C. 20554

RE: **Ex parte filing** in CC Docket No. 80-286

Dear Ms. Dortch:

On February 15, I participated in an ex parte meeting with Daniel Ball and Nicholas Degani from the FCC staff to discuss local business office (LBO) allocation issues in the above-captioned docket.

The ex parte consisted of a discussion of the attached documents related to an upcoming request for a declaratory ruling or a waiver regarding the assignment of LBO costs. The discussion is summarized as follows:

I expressed GVNW's view that the actual rule language in Section 36.377 is the definitive authority on how to treat LBO expenses that are segregated into subcategories. Based on this rule language, cost study companies that did not opt to freeze their categorization are entitled to update the categorization to reflect changes in the functions performed by customer service representatives, changes in billed revenues due to changed circumstances, as well as to reflect changes in services provided to entities including interexchange carriers.

I informed Mr. Ball and Mr. Degani that GVNW Consulting would be filing a request for clarification or waiver with the FCC in the very near future.

As required by the Commission's rules, this ex parte record is now filed in the above referenced docket. If there are any questions, please call me on 503.612.4409.

Respectfully submitted,

Via ECFS 2/16/11

Jeffrey H. Smith  
Vice-President and Division Manager, Western Region  
Chairman of the Board of Directors

Copy to  
Ken Burchett  
Daniel Ball  
Nicholas Degani

Attachment documents:

PDF file that shows 2 pages on LBO Cost Misallocations, text of Section 36.3 and 36.377,  
Appendix B from FCC 01-162, and paragraph 23 on page 14 of FCC 01-162